No. 18-459

In the Supreme Court of the United States

EMULEX CORPORATION, ET AL.,
Petitioners,

v.

GARY VARJABEDIAN AND JERRY MUTZA,
Respondents.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JOINT APPENDIX – VOLUME II

(Pages 235 to 255)

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ITEMS PREVIOUSLY REPRODUCED

In accordance with Supreme Court Rule 26.1, the following items have been omitted in printing this joint appendix because they appear on the following pages of the appendix to the Petition for a Writ of Certiorari (October 11, 2018):

Opinion of the United States Court of Appeals for the Ninth Circuit, *Varjabedian v. Emulex Corp., et al.*, 888 F.3d 399 (9th Cir. 2018) 1a

Order of the United States District Court for the Central District of California Granting Defendants' Motion to Dismiss, *Varjabedian v. Emulex Corp., et al.*, 152 F. Supp. 3d 1226 (C.D. Cal. 2016) 27a

Order of the United States Court of Appeals for the Ninth Circuit Denying Rehearing, *Varjabedian v. Emulex Corp., et al.* (9th Cir. Sept. 6, 2018) 58a

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Discussion Materials for

Project Emerald

Goldman, Sachs & Co.

February 25, 2015

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Summary of Argo Proposal

28-Dec-2014 Capital Structure | FYE June

($ in millions, except per share data)

		Offer
[illegible]		$ 8.00
% Premium to:		
Current	$ 6.33	26.4 %
30 Day Average	6.43	24.5 %
90 Day Average	6.02	32.8 %
Wall St Price Target	6.00	33.3 %
52 Week High	7.82	4.8 %
52 Week Low	4.48	78.4 %
Basic Shares (mm)		72.1
Options Dilution (mm)		0.3
Unvested Stock Awards (mm)		3.4
Diluted Shareholders (mm)		75.8
Implied Market Capitalization		$ 606
(-) Total Cash		(185)
(+) Cash Paid for Cash-Settled Unit Awards		10
(+) Total Debt (Including Value for Convertible Issue (Pro-rata) [1]		178
Implied Enterprise Value		$ 449

		Multiple		QLGC	Networking & Storage Peers Median
Emerald (Stand)	P/E				
	FY 2015	$ 0.64	12.5 x	13.3 x	15.9 x
	FY 2016	0.56	14.3 x	12.4	15.1
	Cash Adj. P/E				
	FY 2015	$ 0.64	12.5 x	10.9 x	15.2 x
	FY 2016	0.56	14.3	8.8	13.7
	EBIT				
	FY 2015	$ 53	11.2 x	8.7 x	13.0 x
	FY 2016	50	12.0	8.8	12.5
Emerald (Management)	P/E				
	FY 2015	$ 0.59	13.5 x	13.3 x	15.9 x
	FY 2016	0.57	14.1 x	12.4	15.1
	Cash Adj. P/E				
	FY 2015	$ 0.60	13.2 x	10.9 x	15.2 x
	FY 2016	0.57	14.1	8.8	13.7
	EBIT				
	FY 2015	$ 51	13.0 x	8.7 x	13.0 x
	FY 2016	50	12.2	8.8	12.5

Source: Emerald public filings, Emerald Management Projections, IBES, and Bloomberg. Market data as of 24-Feb-2015.
Note: Basic share count and equity awards data as of 24-Feb-2015 per Emerald management. Assumes cash-settled unit awards are paid in cash per Emerald management guidance.
Note: Cash-adjusted P/E calculated as (Share Price – Excess Cash Per Share) / (EPS – After tax interest income on Excess Cash Per Share), assuming 0.5% interest income on cash, 10% tax rate for Emerald, and 35% tax rate for peers. Excess cash is defined as cash in excess of total debt.
Note: Networking & Storage peers include Avaya, Brocade, Marvell, Mellanox, PMC Sierra and Qlogic.
[1] Assumes most of notes which shares for 1.75% Convertible Senior Notes due 2018 settled at in cash upon change of control. Excludes accrued and unpaid interest.

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I. Share Price Context

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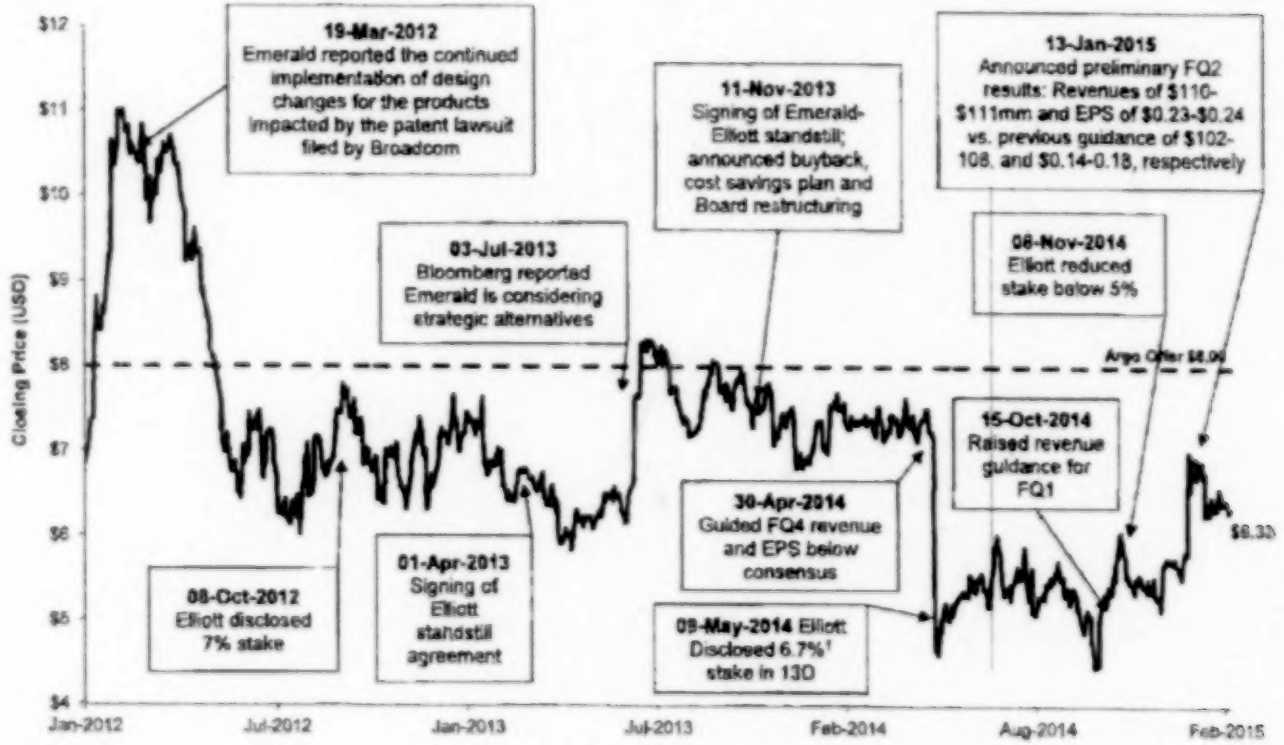
Emerald Share Price History

Last 3 Years



Source: Bloomberg, Emerald public filings and press releases. Market data as of 24-Feb-2015

[1] Elliott's 6.7% stake is based on its ownership of 5.0mm Emerald shares as disclosed in the 09-May-2014 13D filing and the Company's 74.9mm fully diluted shares outstanding

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Wall Street Perspectives

Revenue, EBIT and EPS Estimates ($ in millions, except per share data)

					Revenue		EBIT		EPS		Valuation Methodology
Firm	Estimate Date	Price Target	Δ to Current Stock Price	Rating	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	PE Mult.
Argus	15-Jan-15			HOLD					$ 0.52	$ 0.50	
Barclays	07-Feb-15	$ 6.00	(5.2)%	UNDERPERFORM	$ 418	$ 417	$ 55	$ 65	$ 0.65	$ 0.81	10x FY15
BMO Capital Markets	07-Feb-15	$ 7.00	10.6%	HOLD	418	418	57	62	$ 0.67	$ 0.82	12x FY16
DA Davidson	07-Feb-15	$ 7.25	14.9%	HOLD	418	403	62	57	0.67	0.65	
RBC	03-Feb-15	$ 6.00	(5.2)%	HOLD	409	409	49	43	0.57	0.49	~12x FTM
Stifel Nicolaus	07-Feb-15			HOLD	417	416	54	42	0.63	0.49	
Summit Research	07-Feb-15	$ 6.00	(5.2)%	HOLD	413	410	54	48	0.64	0.58	
Current Consensus Median		**$ 6.00**			**$ 416**	**$ 413**	**$ 55**	**$ 50**	**$ 0.64**	**$ 0.58**	
Emerald Management Projections					**$ 423**	**$ 402**	**$ 58**	**$ 60**	**$ 0.66**	**$ 0.67**	
% Delta vs. Current Consensus Median					*1.6%*	*(2.6)%*	*2.2%*	*(10.3)%*	*2.8%*	*1.0%*	

Emerald Analyst Ratings: Hold: 86% | Underperform: 14%

Source: Emerald Management Projections, IBES, and Wall Street Research as of 24-Feb-2015

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Historical and Projected Income Statement

FYE June

($ in millions, except per share data)

	Actuals		Emerald Management Projections					'14 - '19
Fiscal Year Ended June	2013A	2014A	2015E	2016E	2017E	2018E	2019E	CAGR
ECD Revenue	$ 466	$ 413	$ 393	$ 366	$ 381	$ 381	$ 389	(1.2)%
% Growth		(11.2)%	(4.9)%	(6.9)%	4.0 %	0.1 %	2.1 %	
NVP Revenue	$ 13	$ 34	$ 30	$ 36	$ 43	$ 51	$ 58	10.7 %
% Growth		157.0 %	(12.4)%	20.0 %	20.0 %	20.0 %	10.0 %	
Total Revenue	$ 479	$ 447	$ 423	$ 402	$ 423	$ 432	$ 446	(0.1)%
% Growth		(6.5)%	(5.5)%	(5.0)%	5.4 %	2.1 %	3.0 %	
ECD COGS	$(150)	$(141)	$(133)	$(131)	$(142)	$(146)	$(151)	
ECD Gross Margin	$ 306	$ 273	$ 260	$ 236	$ 239	$ 233	$ 238	(2.7)%
% Margin	64.0 %	66.0 %	66.2 %	64.3 %	62.8 %	61.1 %	61.1 %	
NVP COGS	$(3)	$(8)	$(7)	$(9)	$(11)	$(13)	$(14)	
NVP Gross Margin	$ 10	$ 27	$ 23	$ 27	$ 32	$ 38	$ 43	9.0 %
% Margin	77.1 %	81.7 %	77.5 %	75.0 %	75.0 %	75.0 %	75.0 %	
Total COGS	$(152)	$(147)	$(140)	$(139)	$(152)	$(161)	$(165)	
Gross Margin (ex. Mfg Var)	$ 316	$ 300	$ 283	$ 262	$ 271	$ 271	$ 280	(1.4)%
% Margin	66.1 %	67.2 %	67.0 %	65.3 %	64.0 %	62.7 %	62.9 %	
Manufacturing Variances	$(9)	$(6)	$(8)	$(7)	$(6)	$(6)	$(7)	
Gross Margin	$ 307	$ 294	$ 276	$ 255	$ 266	$ 266	$ 273	(1.9)%
% Margin	64.2 %	65.8 %	65.1 %	63.6 %	62.5 %	61.3 %	61.3 %	
Operating Expense	$(238)	$(239)	$(220)	$(206)	$(202)	$(198)	$(204)	
Non-GAAP EBIT	$ 69	$ 55	$ 56	$ 50	$ 63	$ 67	$ 69	4.5 %
% Margin	14.5 %	12.3 %	13.2 %	12.4 %	14.8 %	15.5 %	15.5 %	
Depreciation	$ 18	$ 19	$ 19	$ 16	$ 16	$ 16	$ 16	
Adj. EBITDA	$ 88	$ 74	$ 74	$ 66	$ 79	$ 83	$ 86	2.9 %
% Margin	18.3 %	16.5 %	17.6 %	16.4 %	18.6 %	19.2 %	19.2 %	
Non-GAAP Net Income	$ 67	$ 49	$ 48	$ 43	$ 54	$ 57	$ 59	4.0 %
% Margin	14.0 %	10.9 %	11.5 %	10.7 %	12.9 %	13.3 %	13.3 %	
Non-GAAP Diluted EPS	$ 0.73	$ 0.57	$ 0.66	$ 0.57	$ 0.70	$ 0.72	$ 0.72	4.9 %
% Growth		(22.3)%	15.9 %	(14.0)%	23.3 %	2.5 %	0.3 %	

Source: Emerald public filings and Emerald management Projections
Note: GAAP adjustments include patent litigation license fee, litigation expense, restructuring / site closure, IRS NOPA fee, Firstace acquisition-related expenses, non-recurring severance and associated costs, Dissidium takeover attempt, in-process R&D impairment, and rights-sale impairment.

II. Valuation Analyses

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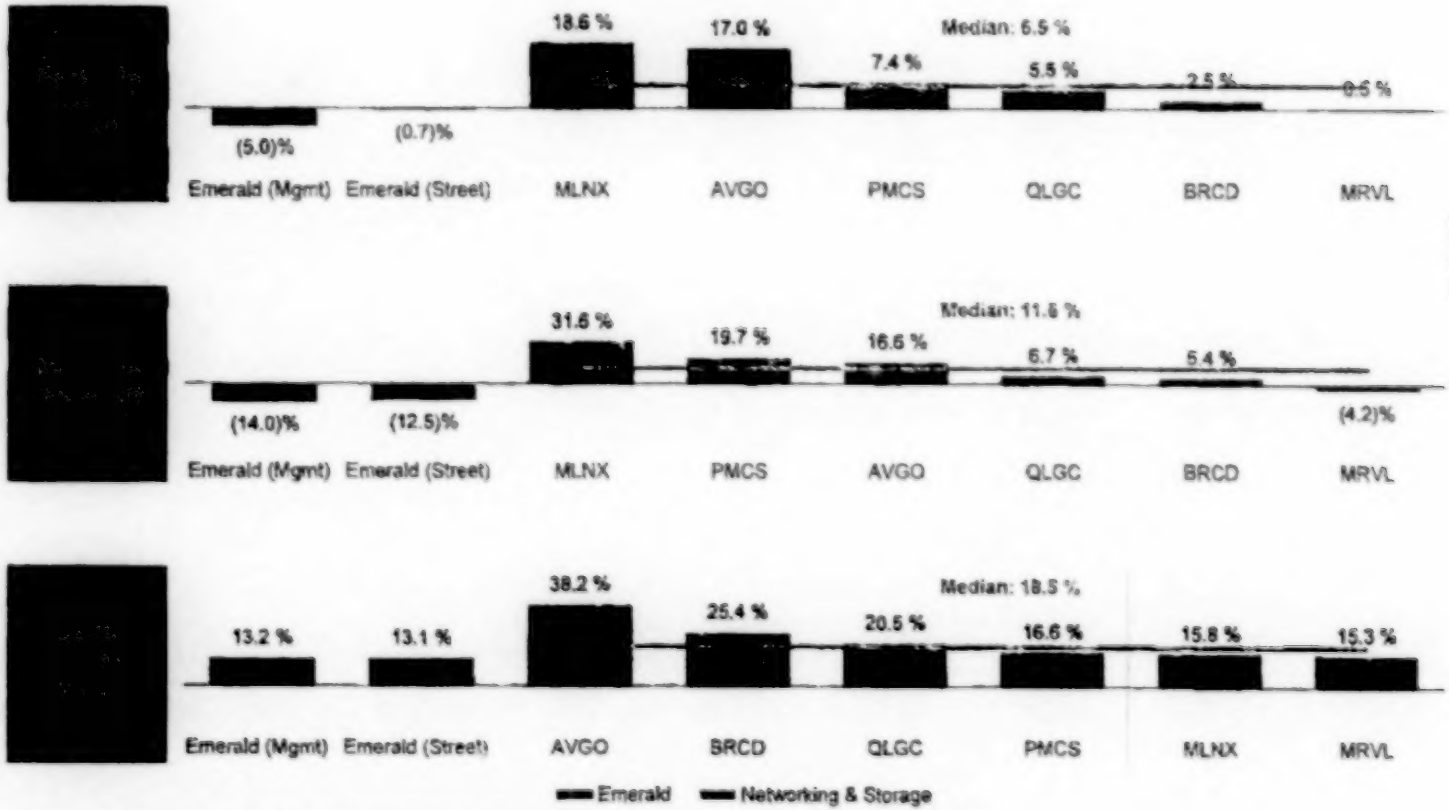
Operational Benchmarking



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Source: Emerald Management Projections, Emerald public filings, and Wall Street research as of 24-Feb-2015. All estimates have been calendarized to June

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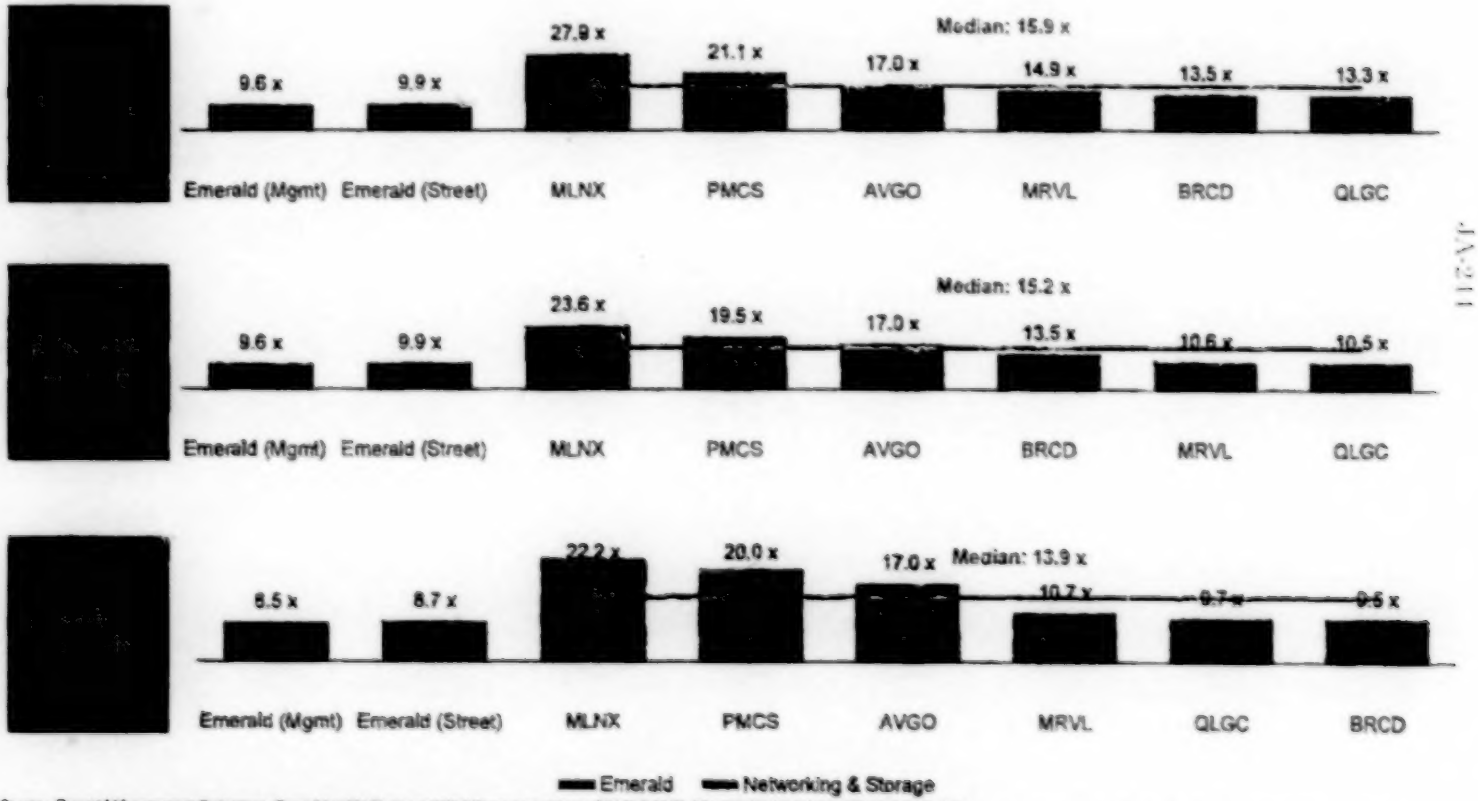
Comparison of Trading Multiples



Source: Emerald Management Projections, Emerald public filings, and Wall Street research as of 24-Feb-2015. All estimates have been calendarized to June.

[1] *Cash-adjusted P / E calculated as (Share Price – Excess Cash Per Share) / (EPS – After-tax Interest Income on Excess Cash Per Share), assuming 0.5% interest income on cash, 10% tax rate for Emerald, and 35% tax rate for peers. Excess cash is defined as cash in excess of total debt.*

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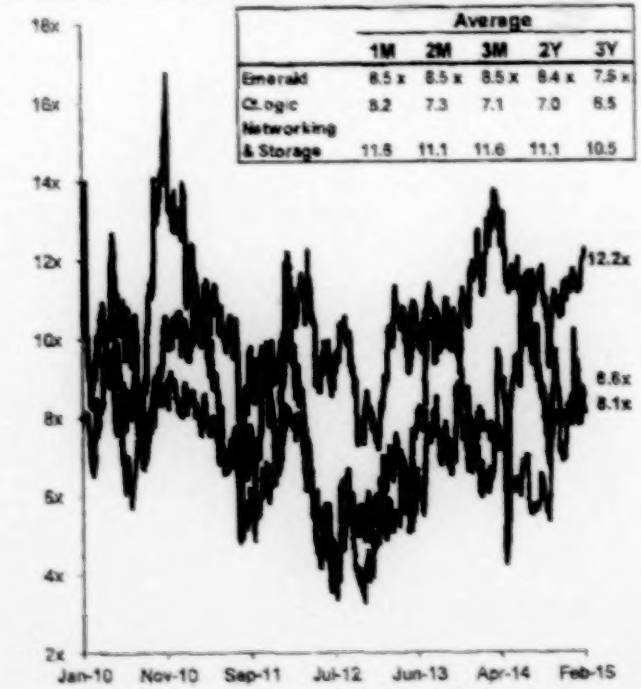
Comparing Multiples Over Time vs. Peers

Forward EBIT and P/E Multiples

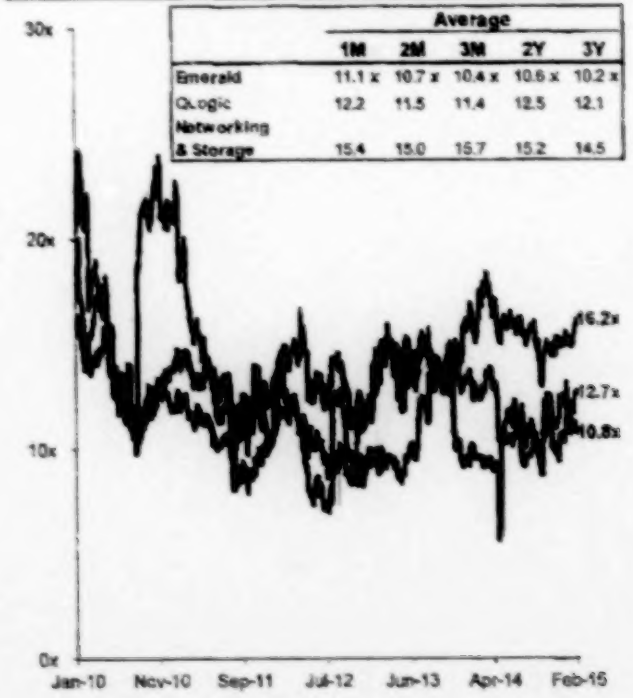
NTM EBIT Multiples

	Average				
	1M	2M	3M	2Y	3Y
Emerald	8.5 x	8.5 x	8.5 x	8.4 x	7.5 x
QLogic	8.2	7.3	7.1	7.0	6.5
Networking & Storage	11.8	11.1	11.6	11.1	10.5



NTM P/E Multiples

	Average				
	1M	2M	3M	2Y	3Y
Emerald	11.1 x	10.7 x	10.4 x	10.6 x	10.2 x
QLogic	12.2	11.5	11.4	12.5	12.1
Networking & Storage	15.4	15.0	15.7	15.2	14.5



—Emerald —QLogic —Networking & Storage

Source: Bloomberg, IBES, Emerald and applicable company filings, and Wall Street research as of 24-Feb-2015
Note: Networking & Storage peers include Avago, Brocade, Marvell, Mellanox, PMC Sierra and QLogic.

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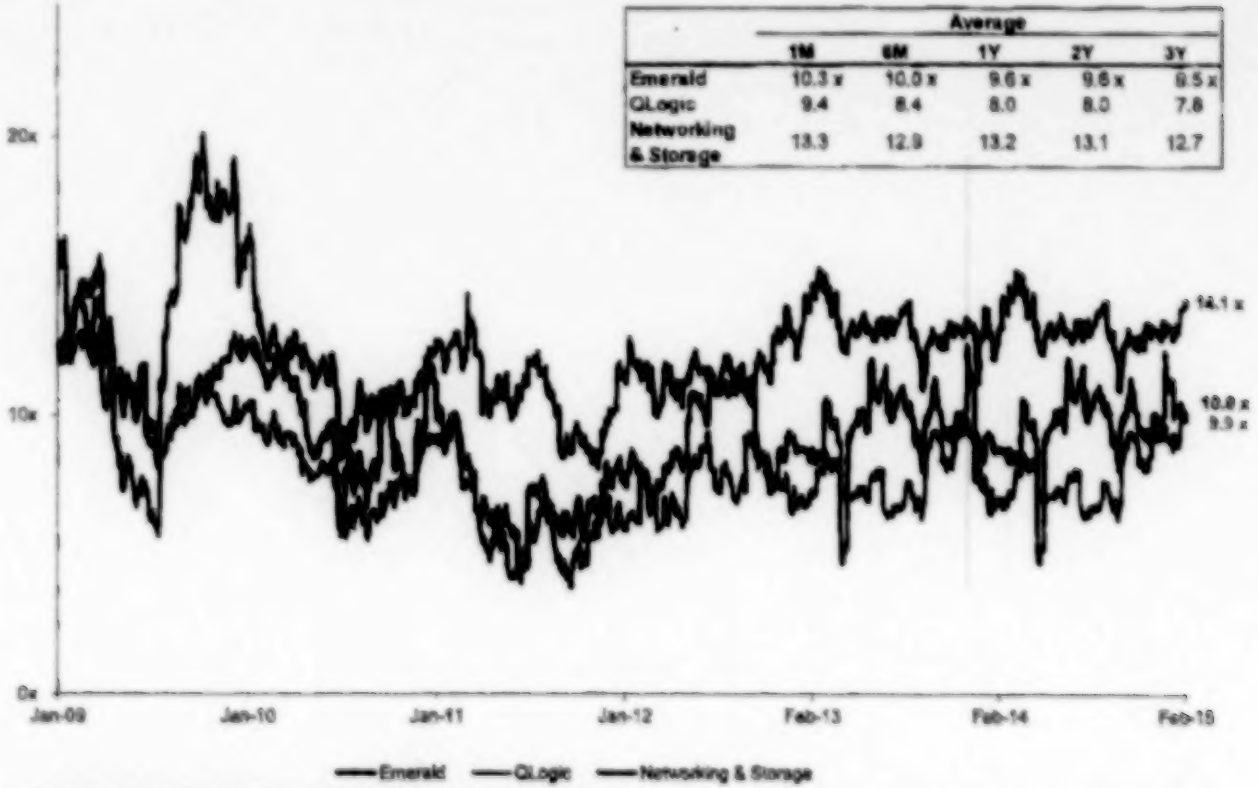
Comparing Multiples Over Time vs. Peers

Cash Adjusted NTM P/E Multiple Over Time

	Average				
	1M	6M	1Y	2Y	3Y
Emerald	10.3 x	10.0 x	9.6 x	9.6 x	9.5 x
QLogic	9.4	8.4	8.0	8.0	7.8
Networking & Storage	13.3	12.9	13.2	13.1	12.7



Source: Bloomberg, IBES, Emerald and applicable company filings. Market data as of 24-Feb-2015
Note: Networking & Storage peers include Avago, Brocade, Marvell, Mellanox, PMC Sierra and QLogic. Cash-adjusted P/E adjusted for excess cash balances defined as cash greater than debt balance. Assumes 0.5% interest income on net cash and company-specific tax rate

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Illustrative Present Value of Future Share Price

Assumed Dec 2014 Effective Date
($ per share, unless otherwise noted)

P / E Method

FY 2016 P/E

			9.0 x	10.0 x	11.0 x	12.0 x
Mgmt	FY 16E EPS	$ 0.87	$ 4.77	$ 5.30	$ 5.83	$ 6.36

FY 2017 P/E

			9.0 x	10.0 x	11.0 x	12.0 x
Mgmt	FY 17E EPS	$ 0.70	$ 5.17	$ 5.74	$ 6.31	$ 6.89

FY 2018 P/E

			9.0 x	10.0 x	11.0 x	12.0 x
Mgmt	FY 18E EPS	$ 0.72	$ 4.66	$ 5.17	$ 5.68	$ 6.20

Cash Adj. P / E Method

FY 2016E Cash Adj. P / E

				8.0 x	9.0 x	10.0 x	11.0 x
Mgmt	FY 16E Cash Adj. EPS	$ 0.56	FY 16E Cash Per Share	$ 0.35	$ 4.55	$ 5.08	$ 5.60	$ 6.13

FY 2017E Cash Adj. P / E

				8.0 x	9.0 x	10.0 x	11.0 x
Mgmt	FY 17E Cash Adj. EPS	$ 0.69	FY 16E Cash Per Share	$ 0.51	$ 5.05	$ 5.62	$ 6.19	$ 6.76

FY 2018E Cash Adj. P / E

				8.0 x	9.0 x	10.0 x	11.0 x
Mgmt	FY 18E Cash Adj. EPS	$ 0.71	FY 17E Cash Per Share	$ 1.20	$ 4.95	$ 5.46	$ 5.97	$ 6.48

Excess Cash[1]:
FY15: $26mm
FY16: $46mm
FY17: $93mm

Source: Emerald Management Projections

Note: Equity multiples used to calculate future equity value, then discounted 0.5, 1.5, and 2.5 years per FY16 / FY17 / FY18 respectively) using 12.9% cost of equity, which incorporates a size premium adjustment of 2.7%, representing the empirically observed excess historical market returns compared to the return predicted by Capital Asset Pricing Model (CAPM) for companies of Emerald's size. Share price is calculated with projected share count from Emerald Management Projections. Cash-adjusted EPS equated for excess cash balances, defined as cash greater than debt balance. Assumes 0.5% interest income on excess cash and 10% tax rate

[1] *Basic share count and equity awards data as of 24-Feb-2015 per Emerald management. Assumes cash-settled unit awards are paid in cash per Emerald management guidance.*

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Illustrative DCF Analysis

Cash Flows | FYE June

($ in millions)

	Actuals		Financial Management Projections					Terminal
FY Ended June	2013	2014	H2 2015	2016	2017	2018	2019	Year
Income Statement								
Revenue	$ 475	$ 447	$ 208	$ 402	$ 422	$ 432	$ 440	$ 440
% Growth		(6.0)%		(5.0)%	5.4 %	2.1 %	2.0 %	
COGS (Inc. Mfg. Variances)	(171)	(153)	(74)	(146)	(159)	(167)	(172)	(172)
Gross Profit	$307	$294	$ 134	$256	$263	$265	$273	$ 273
% Margin	64.2 %	65.8 %	64.6 %	63.8 %	62.5 %	61.3 %	61.2 %	61.2 %
Operating Expenses	(256)	(238)	(112)	(200)	(202)	(158)	(204)	(204)
Non-GAAP EBIT	$69	$56	$ 23	$56	$63	$67	$69	$ 69
% Margin	14.5 %	12.5 %	10.9 %	12.4 %	14.8 %	15.5 %	15.6 %	15.6 %
Taxes	(2)	(4)	(1)	(3)	(5)	(6)	(6)	(7)
% Tax Rate	3.4 %	8.0 %	4.4 %	7.0 %	7.8 %	9.1 %	9.1 %	10.0 %
D&A	18	18	9	18	18	18	18	18
EBITDA	$ 88	$ 74	$ 32	$ 68	$ 79	$ 83	$ 86	$ 86
% Margin	18.5 %	16.6 %	15.4 %	16.4 %	18.6 %	19.2 %	19.2 %	19.2 %
Cash Flow Items								
EBITDA	$ 88	$ 74	$ 32	$ 68	$ 79	$ 83	$ 86	$ 86
(-) Taxes[1]	(2)	(4)	(1)	(3)	(5)	(6)	(6)	(7)
(-) Capex[2]	(16)	(16)	(8)	(16)	(16)	(16)	(16)	(17)
(-) Change in NWC	(56)	11	4	2	(6)	(4)	(4)	(4)
Unlevered FCF Before Adjustments	$ 14	$ 66	$ 27	$ 48	$ 52	$ 57	$ 59	$ 58
After-Tax Adjustments:								
Mitigation Expense	(6)	(6)	(3)	0	0	0	0	0
Restructuring / Site Closure	0	(7)	0	0	0	0	0	0
IRS NOPA Fees	0	(1)	(0)	0	0	0	0	0
IRS NOPA - Cash Payment	0	0	0	(20)	0	0	0	0
Broadcom Royalty	(1)	(2)	(1)	(3)	(3)	0	0	0
Broadcom License Amortization	(4)	(4)	(2)	(3)	(2)	(2)	0	0
Stock Based Comp	(21)	(14)	(8)	(12)	(15)	(13)	(13)	(13)
Other[3]	(8)	(2)	2	1	1	1	0	0
Unlevered FCF	$(28)	$ 26	$ 17	$ 13	$ 36	$ 44	$ 46	$ 44
% Margin	(6.0)%	5.9 %	8.3 %	3.1 %	8.5 %	10.2 %	10.7 %	9.9 %
% Conversion	(32.7)%	34.8 %	53.9 %	19.1 %	45.9 %	53.0 %	53.5 %	51.6 %
% Growth		NM		(69.1)%	187.8 %	21.2 %	4.1 %	

Source: Financial Management Projections
[1] Assumes a 10% effective tax rate in the terminal year based on management guidance.
[2] Assumes terminal year capex is equal to 100% of depreciation.
[3] Other includes cash expenses related to Filtrex acquisition-related expenses, non-recurring severance and executive costs, and tax effect of LTD GAAP valuation allowance.

Illustrative DCF Analysis

Assumed Dec 2014 Effective Date

Price Per Share

Discount Rate	Perpetuity Growth Rate 2.0%	2.5%	3.0%	3.5%	4.0%
11.0%	$ 5.98	$ 6.25	$ 6.56	$ 6.90	$ 7.30
11.5%	5.66	5.90	6.17	6.48	6.82
12.0%	5.38	5.59	5.83	6.10	6.40
12.5%	5.13	5.32	5.53	5.76	6.00
13.0%	4.89	5.07	5.25	5.46	5.69

Terminal NTM EBIT Multiple

Discount Rate	Perpetuity Growth Rate 2.0%	2.5%	3.0%	3.5%	4.0%
11.0%	7.5x	8.0x	8.5x	9.0x	9.7x
11.5%	7.1	7.5	8.0	8.5	9.0
12.0%	6.8	7.2	7.6	8.0	8.5
12.5%	6.5	6.8	7.2	7.6	8.0
13.0%	6.2	6.5	6.8	7.2	7.6

Source: Emerald Management Projections
Note: Analysis reflects a 4.5 year DCF from Dec 2014 (Q2 FY15) to June 2019 (FY19)
Note: WACC range informed by current market-based inputs and capital structure assuming excess cash; rounded bids as of 24-Feb-2015
Note: Basic share count and equity balance data as of 24-Feb-2015 per Emerald management. Assumes cash settled unit awards are paid in cash per Emerald management guidance

Appendix A: Additional Materials

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Selected Public Trading Comparables

Networking & Storage Peers | Calendarized to June FYE

($ in millions, except per share data)

Company	Closing Price 24-Feb-2015	% of 52 Week High	Adjusted Equity Market Cap	Adjusted Enterprise Value	Enterprise Value Multiples EBIT 2015	EBIT 2016	Calendarized P/E Multiples 2015	2016	Calendarized Cash Adj. P/E Multiples 2015	2016	FY'15-'16 Revenue Growth	FY'15-'16 EPS Growth	FY'16 EBIT Margin	5-Year EPS CAGR	FY'16 Debt / EBITDA
Emerald (Management)	$ 8.35	93 %	$ 429	$ 477	8.5 x	9.6 x	9.6 x	11.2 x	9.9 x	11.1 x	(5.0)%	(14.0)%	10.2 %	4.7 %	2.4 x
Emerald (Street)	$ 8.73	83 %	$ 429	$ 477	8.7 x	9.5 x	9.6 x	11.3 x	9.9 x	11.3 x	(0.7)%	(12.5)%	13.1 %	10.0 %	1.9 x
Networking & Storage Peers															
Avago	$ 113.19	100 %	$ 33,062	$ 37,504	17.0 x	14.0 x	17.0 x	14.8 x	17.0 x	14.8 x	17.0 %	10.9 %	38.2 %	33.8 %	2.1 x
Marvell	13.33	96	8,570	8,070	10.7	10.0	14.8	13.6	10.8	11.1	0.5	(4.2)%	16.3	8.8	0.0 x
Brocade	10.42	98	5,371	5,470	9.3	9.4	13.6	12.8	13.3	12.8	2.5	5.4	29.4	5.0	1.7 x
Mellanox	46.53	87	2,248	1,860	22.2	16.3	27.9	21.2	22.6	17.0	10.8	31.8	15.8	30.8	0.0 x
PMC-Sierra	6.30	91	1,054	1,076	20.0	17.3	21.1	17.8	19.8	16.3	7.4	19.7	16.8	NA	0.0 x
Qlogic	14.84	96	1,329	1,050	8.7	8.8	13.3	12.4	10.3	9.6	8.3	8.7	33.5	9.8	0.0 x
	Mean	96 %			14.8 x	12.8 x	17.9 x	15.7 x	15.8 x	13.7 x	8.8 %	12.8 %	22.8 %	16.2 %	0.8 x
	Median	97			15.8	12.6	15.9	16.1	16.3	13.7	6.0	11.8	16.5	9.8	0.0 x

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Source: *Emerald Management Projections, Bloomberg, IBES, Emerald and applicable company filings, and press releases. Market data as of 24-Feb-2015*
Note: *Estimates calendarized to June year-end.*
Note: *Basic share count and equity awards data for Emerald as of 24-Feb-2015 per Emerald management. Assumes cash-settled unit awards are paid in cash per Emerald management guidance*
Note: *Cash-adjusted P / E calculated as (Share Price – Excess Cash Per Share) / (EPS – After-tax Interest Income on Excess Cash Per Share), assuming 0.5% interest income on cash, 18% tax rate for Emerald, and 35% tax rate for peers. Excess cash is defined as cash in excess of total debt.*

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WACC Calculation for Emerald

Based on Historical Axioma Beta as of 24-Feb-2015

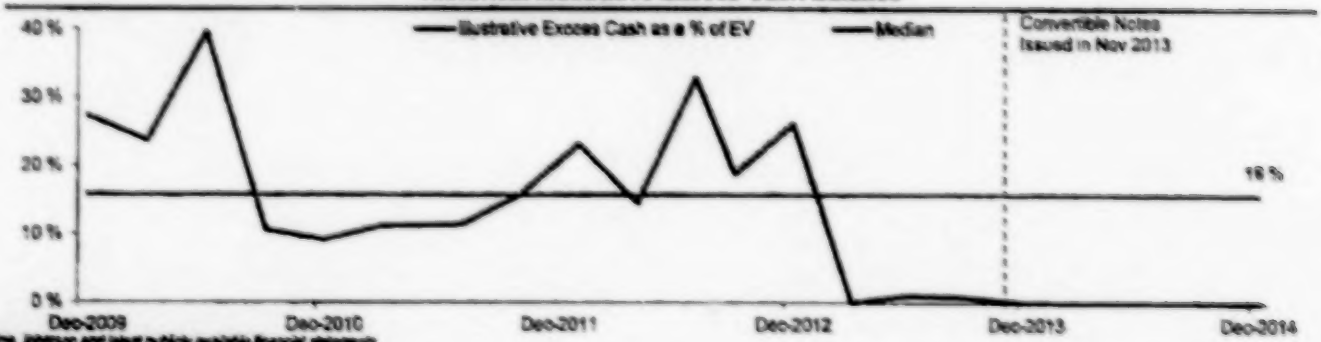
WACC Assumptions

Gross Debt / (Debt - Cash + Equity)	0.0 %
Permanent Cash / (Debt - Cash + Equity)	10.0 %
Equity / (Debt - Cash + Equity)	110.0 %
Implied Debt to Cap	**(10.0)%**
Implied Debt / Equity Ratio	**(9.1)x**
Risk-Free Rate[1]	2.38 %
Equity Beta[2]	1.27
Equity Risk Premium[3]	6.96 %
Cost of Equity	**11.2 %**
Pre-Tax Cost of Debt	6.0 %
Marginal Tax Rate[4]	10.0 %
After-Tax Cost of Debt	5.4 %
Cash Yield	0.5 %
After-Tax Cash Yield	0.5 %
WACC	**12.3 %**

Weighted Average Cost of Capital

Permanent Cash as % of EV					
0.0 %	5.0 %	10.0 %	15.0 %	20.0 %	25.0 %
11.2 %	11.7 %	12.3 %	12.8 %	13.3 %	13.9 %

Historical Illustrative Excess Cash Balance[5]



Source: Axioma, Bloomberg and latest publicly available financial statements
[1] Risk Free Rate per US Govt. 2.38% due Feb 2031 as of 24-Feb-2015
[2] Historical Axioma Beta as of as of 24-Feb-2015
[3] Assumes equity risk premium of 6.96% per Ibbotson
[4] Marginal tax rate per Emerald management guidance
[5] Illustrative excess cash assumes $100mm in permanent cash, and is calculated as (Net Cash – Permanent Cash) / Enterprise Value

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Emerald Beta Over Time

Last 3 Years

Source: Axioma Indices as of 24-Feb-2015

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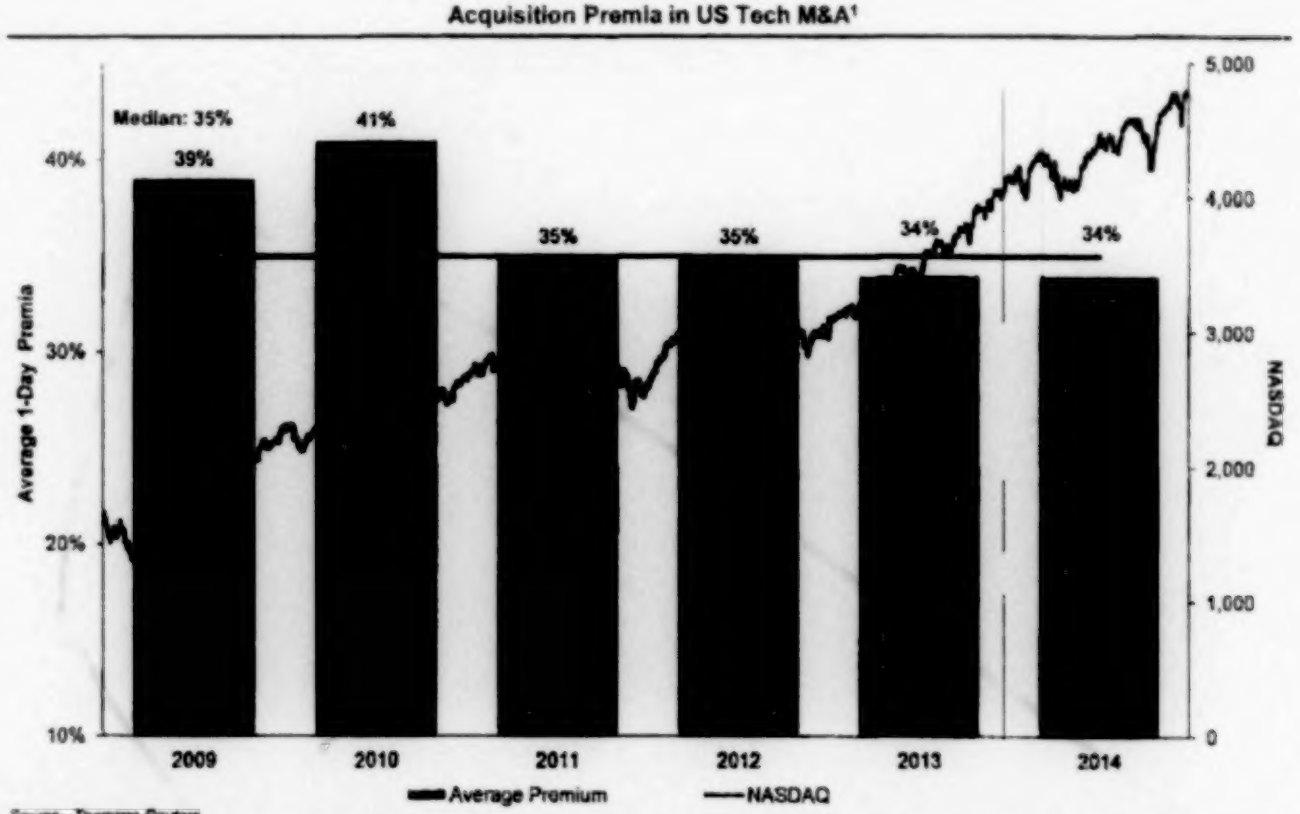
Perspectives on M&A Premia For All Cash Deals



Source: Thomson Reuters

[1] Reflects the premium relative to the target's stock price 1-day prior to announcement. Excludes transactions with premiums in excess of 150% or less than (50)%. SDC screen excludes share buybacks and acquisitions of partial interest if the percentage of shares owned after the transaction is below 50%.

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Selected Semiconductor Transactions

($ in millions)

Announce Date	Acquirer	Target	Equity Consideration[1]	Enterprise Value	Premium Over Undisturbed[2]	Premium Over 52-Wk High	Target's 1 Year Forward Multiple[3] Revenue	Net Income
2014								
10/14/2014	Qualcomm	CSR	$ 2,500	$ 2,190	56.5 %	11.6 %	2.7 x	25.7 x
8/22/2014	Marvell	Peregrine	489	471	62.5	7.4	2.8	NM
8/20/2014	Infineon	International Rectifier	3,018	2,600	50.6	39.3	2.0	26.5
6/23/2014	Avago	PLX Technology	309	293	9.4	(4.8)	2.8	23.8
6/16/2014	SanDisk	Fusion-IO	1,274	1,100	21.2	(27.0)	2.5	NM
6/9/2014	Analog	Hittite Microwave	2,466	1,974	34.7	NA	6.2	29.4
2/10/2014	Microchip	Supertex	399	248	23.4	21.8	3.3	42.0
4/28/2014	Cirrus Logic	Wolfson	458	467	77.4	NA	2.5	99.0
Mean					**42.0 %**	**8.0 %**	**3.0 x**	**41.1 x**
Median					**42.6**	**8.5**	**2.8**	**27.8**
2013								
12/16/2013	Avago	LSI	7,028	6,366	46.9	NA	2.7	19.4
6/15/2013	Maxim	Volterra	533	478	55.4	(10.5)	3.2	31.5
Mean / Median					**51.2 %**	**(10.5) %**	**3.0 x**	**25.4 x**
2012								
7/27/2012	Apple	AuthenTec	$ 393	$ 374	57.8 %	49.8 %	4.4 x	79.1 x
5/2/2012	Microchip	Standard Microsystems	970	808	37.9	31.0	1.9	24.8
Mean / Median					**47.8 %**	**40.4 %**	**3.2 x**	**51.9 x**
2011								
5/26/2011	Skyworks	Advanced Analogic Tech	$ 265	$ 181	51.0 %	22.4 %	1.6 x	73.9 x
7/20/2011	Microsemi	Zarlink	601	460	66.8	49.8	1.7	15.9
9/12/2011	Broadcom	NetLogic	3,912	3,693	58.7	14.4	7.4	37.8
4/4/2011	Texas Instruments	National Semiconductor	6,490	5,543	77.7	56.3	4.2	20.6
1/6/2011	Qualcomm	Atheros	3,807	3,241	21.6	2.5	3.0	20.6
Mean					**54.7 %**	**29.0 %**	**3.6 x**	**31.8 x**
Median					**56.7**	**22.4**	**3.0**	**20.6**
Mean					**44.5 %**	**17.6 %**	**3.0 x**	**35.0 x**
Median					**50.8**	**14.4**	**2.7**	**26.1**

Source: Press Releases and Bloomberg
[1] Represents fully diluted equity consideration at time of announcement as calculated with latest publicly available filings.
[2] Represents premium to closing price on date prior to first mention in publicly available news source.
[3] IBES 1 year forward estimates at the time of announcement.

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